

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 06387 282211Z

ACTION ARA-14

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00 SS-15

NSC-05 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

PRS-01 SP-02 DHA-02 EB-08 TRSE-00 L-03 COME-00

AID-05 OMB-01 /065 W

-----123500 282235Z /62

O R 282129Z JUL 77 ZFF4

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 5932 IMMEDIATE NIACT

INFO AMEMBASSY QUITO

AMEMBASSY LA PAZ

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE LIMA 6387

E.O. 11652: N/A

TAGS: PINT, PE ECON

SUBJECT: PRESIDENT'S INDEPENDENCE DAY ADDRESS

REF: LIMA 6379

1. SUMMARY. PRESIDENT MORALES BERMUDEZ SPOKE TO THE NATION ON RADIO AND TV FOR 65 MINUTES ON THE OCCASION OF THE 156TH ANNIVERSARY OF PERU'S INDEPENDENCE ON JULY 28. ADDRESS RECONFIRMED PLAN FOR A RETURN TO CONSTITUTIONAL GOVERNMENT IN 1980 AND ANNOUNCED CONSTITUTIONAL CONVENTION IN SECOND HALF OF 1978. IN THE ECONOMIC AREA THE SPEECH CONTAINED FEW SUPRISES. MORALES BERMUDEZ SPEECH WAS SOMEWHAT DEFENSIVE IN TONE AND CONTAINED A SERIES OF JUSTIFICATIONS AND RATIONALIZATIONS FOR THE SEVERE ECONOMIC AND SOCIAL PROBLEMS PERU NOW FACES, AS WELL AS SOME GENERAL GUIDELINES TOWARD THEIR SOLUTION

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 06387 282211Z

WHICH STRESSED GOP DESIRE FOR CONTINUED GOOD RELATIONS WITH INTERNATIONAL FINANCIAL INSTITUTIONS AND PERU'S COMMITMENT TO MEET ALL OBLIGATIONS TO ITS FOREIGN CREDITORS. HE EMPHASIZED THE HUMANISTIC NATURE OF THE PERUVIAN REVOLUTION BUT MADE NO SPECIFIC REFERENCE TO HUMAN RIGHTS. THE LOFTY, ALMOST PEDANTIC CONTENT OF THE ADDRESS PROBABLY

OBSCURED SOME OF HIS POINTS AND MAY HAVE LIMITED ITS IMPACT ON MANY LISTENERS. END SUMMARY.

2. MORALES BERMUDEZ ANNOUNCED THAT HIS OBJECTIVE WAS TO INFORM THE NATION OF PROBLEMS AND DIFFICULTIES OF RECENT MONTHS AND OF PERU'S POSSIBILITIES FOR THE IMMEDIATE FUTURE. HE WARNED THAT A FAILURE TO ACHIEVE CONSENSUS BETWEEN CIVILIANS AND THE ARMED FORCES COULD, IN THIS PERIOD OF NATIONAL CRISIS AND DIFFICULT DECISIONS, BE HIGHLY DANGEROUS TO NATIONAL UNITY. HE ALSO WARNED AGAINST SHORT-SIGHTED SOLUTIONS TO ECONOMIC AND SOCIAL PROBLEMS OF LONG STANDING. MORALES BERMUDEZ PLEDGED AN EVENTUAL RETURN TO DEMOCRACY AND END TO THE STATE OF NATIONAL EMERGENCY NOW IN FORCE. HE WARNED, HOWEVER, THAT THE GOVERNMENT WOULD BE STERN AND INFLEXIBLE IN THE FACE OF VIOLENCE OR CHAOS, AND CALLED ON ALL ELEMENTS OF SOCIETY TO CONTINUE THE CONSTRUCTIVE DIALOGUE ON ALL LEVELS ALREADY BEGUN. HE FAULTED SOME TRADITIONAL POLITICIANS FOR NOT UNDERSTANDING THE INNOVATIVE CHARACTER OF THE REVOLUTIONARY GOVERNMENT AND FOR TWISTING THE MEANING AND MISINTERPRETING THE ACHIEVEMENTS OF THE REVOLUTION. HE EMPHASIZED, HOWEVER, THAT TRANSFORMED POLITICAL PARTIES HAVE A DEFINITE ROLE TO PLAY IN PERU'S FUTURE PARTICIPATORY, SOCIAL DEMOCRACY. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LIMA 06387 282211Z

3. IN SPECIFIC REFERENCES TO THE PLAN TUPAC AMARY ANNOUNCED IN DECEMBER 1976, PRESIDENT REVEALED THAT THE GOVERNMENT IS STUDYING A CALENDAR FOR A RETURN TO CIVILIAN CONSTITUTIONAL GOVERNMENT AND ANNOUNCED THAT THE FIRST STEP WOULD BE THE CONVOCAION OF A CONSTITUENT ASSEMBLY IN THE SECOND HALF OF 1978 FOR THE EXCLUSIVE PURPOSE OF DRAFTING A NEW CONSTITUTION. ONCE PROMULGATED, THE NEW CHARTER WOULD PERMIT GENERAL ELECTIONS AND THE INSTALLATION OF CIVILIAN GOVERNMENT IN 1980. HE WARNED, HOWEVER, THAT THE ECONOMIC CRISIS AND SOCIAL UNREST MUST BE RESOLVED BEFORE A SUCCESSFUL TRANSFER OF POWER CAN BE EFFECTED, AND CALLED FOR PEACE, ORDER, MUTUAL RESPECT AND A CONTINUATION OF DIALOGUE.

4. ECONOMIC CRISIS. PRESIDENT REFERRED THROUGHOUT SPEECH TO PERU'S PRESENT ECONOMIC CRISIS, WHICH HE ATTRIBUTED TO "UNJUST" INTERNATIONAL ECONOMIC ORDER AND UNFORESEEN DECLINE IN EXPORT EARNINGS, ALTHOUGH ACKNOWLEDGING AS WELL THAT SOME MISTAKES WERE MADE DURING REVOLUTION'S FIRST PHASE. PRESIDENT

EMPHASIZED THAT PRESENT CRISIS SHOULD NOT BE SOLVED BY HASTY, DRASTIC MEANS WHICH DO NOT TAKE INFO ACCOUNT ECONOMIC AND SOCIAL REALITIES IN PERU. HE CALLED INSTEAD FOR AN AUSTERE BUT HUMANISTIC APPROACH TO THE PROBLEM WHICH WOULD CONTAIN THE FOLLOWING ELEMENTS:

A) ELIMINATE TRADE DEFICIT BY BEING AGGRESSIVE IN EXPORTING AND BY LIMITING IMPORTS TO THOSE WITH HIGH DEVELOPMENT PRIORITY; B) REDUCTION OF PUBLIC SECTOR DEFICIT IN ORDER TO REDUCE INFLATIONARY PRESSURES (PRESIDENT CALLED ON PUBLIC SECTOR ENTERPRISES TO BE SELF-SUSTAINING); C) PROVISION OF INTERNAL CREDIT ADEQUATE TO STIMULATE FURTHER INVESTMENT WITHOUT DULY EXACERBATING INFLATION; D) AN INCOMES POLICY AIMED AT IMPROVEMENT OF WORKER'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 LIMA 06387 282211Z

PURCHASING POWER; E) MAINTENANCE OF GOOD RELATIONS WITH INTERNATIONAL FINANCIAL INSTITUTIONS AND FOREIGN COMMERCIAL BANKS, INCLUDING FULFILLMENT OF ALL PERU'S OBLIGATIONS TO INTERNATIONAL LENDERS.

5. COMMENT: PRESIDENT'S SPEECH WAS DELIVERED AT RATHER LOFTY IDEOLOGICAL LEVEL WHICH PROBABLY LEFT MANY OF HIS LISTENERS WONDERING EXACTLY WHAT HE HAD IN MIND ON MANY POINTS, ESPECIALLY IN THE ECONOMIC AREA. WE WERE ALSO LEFT WITH THE IMPRESSION, PERHAPS UNJUSTIFIED, THAT GOP HAS NOT YET COME FULLY TO GRIPS WITH ECONOMIC CRISIS, OR HAS NOT IN ANY CASE AGREED UPON DETAILS OF NEW ECONOMIC POLICY. PRESUMABLY WE MUST NOW AWAIT NATIONAL TV EXPOSITION BY MINISTER OF ECONOMY AND FINANCE WHICH HAS BEEN PROMISED FOR NEAR FUTURE. ON THE POLITICAL SIDE, ANNOUNCEMENT OF CCNSTITUENT ASSEMBLY IN SECOND HALF 1978 AND PROMISE OF RETURN TO ELECTED GOVERNMENT IN 1980 (ALBEIT CONDITIONED ON RESOLUTION CURRENT ECONOMIC PROBLEMS) ARE CONCRETE STEPS IN DIRECTION OF ELECTED GOVERNMENT BUT WILL PROBABLY NOT SATISFY COMPLETELY POLITICAL ACTIVISTS WHO HAD HOPED FOR A MORE DETAILED AND SUBSTANTIVE POLITICAL CALENDAR INCLUDING SETTING OF MUNICIPAL ELECTIONS.

6. IN SUM, IT IS OUR IMPRESSION THAT PRESIDENT SAID LITTLE TODAY WHICH WILL EFFECTIVELY REDUCE PRESENT HIGH DEGREE OF POPULAR DISCONTENT. EMBASSY WILL PROVIDE FURTHER COMMENT AND REACTIONS TO THE SPEECH WHEN AVAILABLE.
SHLAUDEMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, FINANCIAL CRISIS, PRESS CONFERENCES, ANNIVERSARY MESSAGES, INDEPENDENCE CELEBRATIONS, POLITICAL SITUATION, FORM OF GOVERNMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIMA06387
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770271-0394
Format: TEL
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770710/aaaaahyk.tel
Line Count: 166
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 00ee8662-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 LIMA 6379
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1719783
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT'S INDEPENDENCE DAY ADDRESS
TAGS: PINT, ECON, EFIN, PGOV, SOPN, PE, (MORALES BERMUDEZ CERRUTTI, FRANCISC)
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/00ee8662-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009